

BOARD OF MAYOR AND ALDERMEN

February 20, 2007

7:30 PM

Mayor Guinta called the meeting to order.

The Clerk called the roll. There were ten Aldermen present.

Present: Aldermen Roy, Gatsas, Long, Duval, Osborne, Pinard, O'Neil, Shea, Lopez, Shea, Smith

Absent: Aldermen DeVries, Garrity, Thibault, Forest

Mayor Guinta stated I wish to make an announcement to the Board of Mayor and Aldermen and to the City so if the President of CMC would please come forward in addition the Police Chief and Scott Brien and Joe Briggs. As many of you know we have been trying to locate and identify an appropriate location on the west side for a Police substation for the last several months. I think this has been one of the issues that we have tried as a community to address in a very unified fashion and providing safety and security to the members of the public. I want to commend again the Police Department for the work that they have been doing and the level of diligence that they have provided in responding to the issues and to the needs of this community. Today we're happy to have here property owners on Kelley Street...the Briggs Family...and we also have with us Alison Pitman Giles the President of CMC and we're here to announce this evening that we have identified a substation location the address being 165 Kelley Street and CMC has graciously made a donation to pay for this location. So, I certainly want to thank the property owners for participating in the Kelley Street Revitalization project and I'd love to thank CMC for stepping us and recognizing that this is not only a City need but a business, a community need and a residential need. When they heard that we were looking for a location Alison called me right away and said how can CMC help. So, she has provided a \$10,000 donation to the City to pay for this space, we are going to retrofit this space and it is going to be ready for the springtime and the Police Chief assures me that this will be manned seven days a week with three to four police officers including volunteers. So, I want to thank you very much for your gracious offer. Thank you.

Ms. Alison Pitman Giles, President of CMC, stated for us we are so acutely aware of all of the medical needs of our community and certainly safety is such a huge part of their well-being and the community's health and it just seems like such a part of the mission of Catholic Medical Center we just jumped on it as soon as you called us and we're really happy to do it and anything we can do to help revitalize the west side we're doing our best and we'll do whatever else we can do. Thank you.

Mayor Guinta asked did either of you gentlemen wish to say something as the property owner's?

Mr. Briggs stated we just wanted to say thank you very much for your generous donation. We're glad to see the revitalization on the west side underway, we're glad to be a part of it and welcome you as new neighbors.

Mayor Guinta stated thank you very much we appreciate it.

3. Presentation by McGladrey, Pullen of the Management Letter, CAFR and Compliance Report.

Mr. Scott Bassett, McGladrey, Pullen, stated we are the audit firm that was engaged by the City to conduct a fiscal year audit ending June 30, 2006. This year the opinion on the financial statements was the same as the prior year. It was qualified due to a prior year's treatment of the Civic Center transaction. Also in our opinion it notes that certain component units were audited by other auditors within the primary government. We also have a paragraph in our opinion on internal controls over financial reporting in compliance with the laws and regulations. I briefed the committee prior to this meeting about the financial results and I'm not sure if everybody has the CAFR (Comprehensive Annual Financial Report)...I'm just going to go through the highlights and not just specific pages and then open it up for questions and then get into the Management Letter if that's okay with the Board. The management discussion analysis which are pages 3 through 14 in your booklet really states the financial highlights of what happened within the City not only on a cumulative aspect but also on the individual major fund aspect. Assets exceeded liabilities by \$465 million as compared to \$433 in the prior year an increase of \$32 million as a whole...\$19 million increase in the governmental activities and a \$12.5 million in the business activity. The unreserved and undesignated fund balance was \$770,000 or .6% of the total general fund expenditures and transfers for the year. Cash on hand was approximately \$187 million, capital assets that have accumulated depreciation are \$952 million...total liabilities including debt was approximately \$755 million and net assets were \$465 million at the end of the year. As I stated earlier the City increased its main assets by \$32 million from the previous year. The general fund has a fund balance of \$25 million of which \$772,000 is unreserved and undesignated. On a GAP (General Accounting Principles) basis the general fund fund balance increased by \$1.2 million, the tax collection rate was 99.18% which I believe is a 10-year high as you look through the statistical section prepared by the City. Total revenues on the budgetary basis were \$115 million.

Alderman Shea interjected excuse me, your Honor, could he refer to the pages that you're going through.

Mr. Bassett stated I wasn't going through the pages I was just kind of going through the financial highlights of the report but I can take you to those pages if you'd like. I was just kind of recapping the whole report and not referring to pages but if you prefer I'll walk through the report. Page 11 pretty much states that the bank activity that I referred to...the first four bullets talked about the fiscal activity and the result of operations both on a government-wide basis and on a fund basis. You can see in the first bullet more than \$65 million we talked about as far as the total net assets of the City. The second bullet discusses the \$32.1 million increase and the fact that net assets increased from \$433 million to \$465 million...\$19.6 was from the governmental activities and the balance of \$12.5 came from the business type activities of the City...the third bullet on page 11 talks about the governmental funds on a modified side of accrual basis of accounting \$43.7 million a decrease of \$23.8 from the previous year...that decrease was caused by the timing of expenditures for capital outlay and the timing of bond purchases that came in in the prior year. Of the total funds \$14.8 is available for spending at the City's discretion which represents the combined unreserved balance of the general fund, special revenue fund and the permanent fund. On page 11...talks a little bit about the general fund and its activities...the chief operating account of the City...the fund balance was \$25.3 million an increase of \$1.3 from the prior year. Included in this current year budget for the year ending 2006 was an appropriation of anticipated use a fund balance of \$750,000. As of June 30, 2006 \$.8 million of the general fund fund balance represents unreserved fund balance...unreserved and undesignated fund balance at year end is .6% of the total general fund expenditures and transfers approximately \$121 million. I know will go to the budget to actual statement, which is on page 31 where we spoke about between the budget and the actual for the general fund. I had mentioned that taxes, the collection rate on taxes was 99.18%. Taxes are compared to anticipated taxes was short by \$74,000. On the overall budgetary basis for the general fund on page 31 I had mentioned the anticipated use of \$750,000 during the current year...we actually used \$1.2 million in the current year giving a budget deficit in the current year of \$477,000. Pages 32 and 33 gives a presentation of your business type activities, your three major funds and the combination of the non-major funds. We spoke a lot about the Aggregation fund and the elimination of that deficit...transfers were made in the fiscal year ending 2006 to eliminate that deficit so that fund has ceased operations and at this point is closed as of June 30, 2006. The three major funds are the Water Works, EPD fund and the Aviation fund. Water Works increased its net assets by \$3.2 million, EPD fund increased by \$2.7 and the Aviation increased by \$6.2 million as presented on page 33. Pension Trust funds ended the year on page 35 with approximately \$134 million put aside to pay future benefits of retirees...the footnotes on pages 34 through 74 very similar to last year. Debt decreased by approximately \$16 million as compared to the previous year but there was no dramatic change in the components of the footnotes as compared to prior years. Overall I guess if you'd ask if I'd take a look at the City's financial health I'd take a look at your fund balance in the general fund approximately \$45 million. The fact that the City had used a portion of it as planned during the year is something we would look favorably on. We did increase certain reservations within the general fund fund balance in the current year. The overall fund

balance, unreserved and undesignated fund balance is approximately 50% of your total expenditures for the year of \$121 million. So, I would say there are no red flags as you go through the financial statement. I'd be happy to answer any questions that you may have on the CAFR and then I'll go over to the Management Letter.

Mayor Guinta stated I just have one quick question and then I'll open it up to the Board. You're carrying Worker's Compensation as an asset on page 24.

Mr. Bassett replied Worker's Compensation is a reservation of the fund balance. We have assets that exceed the liability but we have reserved that for a future use so it's a reservation for an intended use so it only can be used for those Worker Compensation benefits.

Mayor Guinta asked how does that...on page 35...is that cited on page 35 under assets then or no?

Mr. Bassett replied no it is not.

Alderman Gatsas stated on page 24 where it stays "land held for resale \$3 million" what is that asset?

Mr. Bassett replied the particulars I'm not certain but it's a piece of land that was purchased in the...in the general fund in which intended use is to resell it. We purchased a piece that was not going to go into our capital assets to be depreciated but it's going to be resold.

Alderman Gatsas asked what is the asset?

Mr. Bassett replied I'm not sure of the property location, I don't have the details with me maybe someone from the Finance office could help.

Mayor Guinta stated I would assume the asset would be the anticipated revenue from the sale.

Mr. Randy Sherman, Interim Finance Officer, replied it's the JacPac property. We took the cash up...I know what you're saying Alderman is that really the City is out of the line of title for that because the Housing Authority owns it but it's an investment that the City made and when the proceeds come back from the sale of that property it will come back to the City.

Alderman Gatsas asked do we hold the first mortgage on it?

Mr. Bassett replied I believe we record that as a deferred revenue in the general fund as it's not collected within the year.

Alderman Gatsas asked was it on the books in 2005?

Mr. Bassett replied I don't have the 2005 statements with me maybe Randy could answer.

Mr. Sherman stated the question was was it on the books in 2005...yes.

Alderman Long stated on page 9 the Independent Auditor's Report...the last paragraph...as ascribed in Note 10 starts off...where was it that you couldn't find sufficient evidence?

Mr. Bassett replied basically that has to do with when the Civic Center was constructed the asset was brought on to the financial statements government activity statements of the City. At that time the City accounted for that as a non-exchange transaction as a contribution...in our opinion in generally accepted accounting principles...under those principles there is although in the footnotes you state that there is an obligation of some sort if revenues weren't sufficient to pay off the bonds on that Civic Center that the City may have some obligation to it to recover and pay off those bonds, the City has taken the position that they would not and just from a GAAP standpoint we've taken the position that possibly a liability should be recorded and associated with the Civic Center at the time of that transaction.

Alderman Long stated so you're saying that in your opinion the City should take that liability.

Mr. Bassett stated in my opinion I guess as you get to the definition of that liability there's three criteria and one of the criteria which is a hard one to prove would be a moral obligation to pay that debt. Under GAAP that's in the pronouncement as you talk about non-exchange transactions. In our opinion, the City brought on a \$60 million asset without any liability associated with it and the repayment of that debt is only through the Rooms & Meals Tax I understand that and how the ordinance is written, how that will be repaid if it's over a certain amount over \$4 million or so. But, under GAAP it is our opinion that a liability should be recorded.

Alderman Roy stated this is a request of the Finance Department but on page 31 under revenues the \$1.14 million...if we could have an update as to what licenses and permits fell short of their revenue projections and a spreadsheet as to where they are the seven-months ending January 31st would be appreciated.

Alderman Lopez stated let me go back to Alderman Gatsas' question. Randy, looking at 2005 we carried \$2.5 million and now we're up to \$3 million and we've invested \$3.7 could you share that with us...how we got to \$2.5 and invested \$3.7...how does that affect anything.

Mr. Sherman stated it's because of the JacPac property.

Alderman Lopez stated you call it the JacPac but in the 2005 audit the land we had for resale was \$2.5.

Mr. Sherman stated if you recall the property there there was a payment up front of \$500,000 as a deposit and then the second payment that we made was \$2.5 million which is the total \$3 but we did budget \$3.5. The balance of that was to cover the maintenance fees...we held ownership. So, MHRA is actually covering things like heating costs to make sure the pipes don't freeze, insurance and security and those types of items...that's in the extra \$500,000. But, the total that we actually paid was \$3 million.

Alderman Lopez stated let me go back to the question that Alderman Roy had in reference to the negative on the \$1.4 million in 2006 and the negative in 2005 was about \$246,000. I guess the question would be are we out pricing ourselves for revenue and how does that affect our complete audit?

Mr. Bassett replied I guess it has to do with the budget presentation as to the estimates that are being used compared to the actuals. Management speaks a little bit about it concerning the shortfall...the additional shortfall is about \$1.1 resulting in a decreasing of building permits including licensing permits. I guess one looking at the Building activity that generates that revenue from year-to-year as we've been on an uptick for two or three years it is anticipated that we'll continue on the building. It really gets back to the budgetary process like taxes, for instance, you had budgeted taxes and you came within \$74,000 of that budgeted number so you had a pretty good idea of what the collection rate was going to be. You knew you were going to come in somewhere around that 99% rate. If you were short...the two items from 2005 to 2006 I'd see where we are in 2007 as you go into your budget process and again if you're overly aggressive in your budget process to see if the revenues were to actually make that collection rate.

Alderman Shea stated the question I had was the same question that Mr. Lopez asked and was answered by Randy.

Alderman Gatsas stated let's go back to where Alderman Long was regarding the Civic Center. My understanding is when we entered into that agreement that if Rooms & Meals never appear that there was an insurance policy that would cover the debt service. So, now I question why you're saying that the City's at risk.

Mr. Bassett stated the insurance policy is entitled to...it's a complex GAAP statement. We had numerous conversations three or four years ago when the transaction first took place and I guess at this point I'd have to research my notes as we went through the full transaction the documents on that transactions...our national office got involved in the type of transaction that it was and it's our opinion under GAAP that there is some obligation there by the City

and I believe that pronouncement even states that it does go to insurance requirements that may come into play that does not outpace the obligation of the City. So, I'd have to check my notes...it was a very complex transaction as we went through that and through the GAAP recording of it and would have to get my notes to refresh my memory on just how we came to that conclusion each year but it was that conclusion reached by not only myself but my partners in the national accounting office.

Alderman Gatsas asked can you get back to us with your recollection because I certainly would want my recollection as to what we did for a transaction.

Mr. Bassett stated absolutely. I guess the transaction was made obviously for business purposes but as you measured it from a GAAP standpoint I think that's where the difference came in. Now, one of the obvious questions under that GAAP pronouncement as you go through that type of transaction is is the moral obligation of the City. I'm just saying one of the key components of our decision was based on that criteria...on the GAAP pronouncements.

Alderman Long asked am I correct in assuming that you didn't find sufficient enough evidence in the insurance that would warrant that would absolve the City?

Mr. Bassett replied I don't think that's the case. The case of that pronouncement is if you go through the three criteria's and it's specific to an ordinance as the means of paying for a certain debt service. As you go through that agreement I believe there's three components in which to trigger some type of obligation by the City and I guess as you sit back you had a financial benefit of the Civic Center correct. We brought in a \$60 million asset onto our books...that's the first part of the transaction...we had a financial gain from the construction of that Civic Center. Then as you go through the GAAP pronouncements you go through...a revenue bond was issued, what's the stream of revenues that's going to pay for that debt and what's going to pay for that debt or use of the Civic Center and the profits generated there. The City then has budgeted \$4.3 million I believe is the number, an annual appropriation, there's no fiscal funding policy that requires you to do that to budget the \$4.3 million but if you do that anything above that \$4.3 million will be used to pay off some of the debt of the civic center correct. Again, it's a complex transaction so I'm just trying to recall from memory...then at that point as you go through the criteria you've had a financial gain, we have a fiscal funding clause within our budget which is the \$4.3 million that's subject to reappropriation every year and that their component would be we have an obligation to pay that debt and the criteria that we brought up as far as insurance goes when would the insurance have to kick in and when would we be free and clear and then the question would be if the insurance did kick in would we then own the assets though.

Mayor Guinta stated Scott I have just a quick question...on pages 93 and 94 can you tell me what the cause and what the reduction is for the net asset in the Recreation fund is that solely because of an operating loss or is there some other reason for that \$1.3 million.

Mr. Bassett stated the operations took in \$2 million and it's an operating loss and we had expenditures of \$3.1 million. Spoke a little bit about that as far as we looked at the due to, due from...it's the type of fund I think we ought to keep an eye on like we did with Aggregation as far as the operating losses and to make sure it's funding itself in the future. We did speak a little bit to management about that so that's a very valid point. The idea of that fund again is to be self-sufficient and self-sufficient fund would mean operating revenues would then offset your operating expenditures if they cannot do that and we start growing a large due to, due from again we could be in a situation where we were with Aggregation.

Alderman O'Neil stated can I follow up on that regarding Recreation...is one of the questions...if we're never going to meet the expectations that it doesn't belong as an enterprise then. So, that's a policy decision here then.

Mr. Bassett stated absolutely.

Alderman O'Neil asked do you happen to know or could you get back to us...I don't have previous reports that you've done...is this a similar trend.

Mr. Bassett stated I can get you the five-year trend on that fund.

Alderman O'Neil stated that would be helpful and can I follow up on one other question...Scott, I know I read it in here and now that I look for it I can't find it but you mentioned something about the Employee Retirement and I can't find it.

Mr. Bassett stated there were a couple of places...we talk about the Pension fund in the front of the report on page 35. Page 35 measures only the assets of that fund does not include the long-term liabilities then there's a long footnote that talks about Employee Benefit Plans that starts on page 67...here we talk about our two plans...the old system and the current system and if you turn to page 70 you can see the actual value of the assets as of December 2005 are \$113-114 million...the actual accrued liability was \$147 million leaving the fund 77% funded on an actuarial basis on the CRS fund. The Old System fund we have issued Pension Bonds on those funds...I believe the Pension Bonds two or three years ago was \$20-21 million that was contributed to that fund to help with the Net Pension Obligation. So, I'm not sure what your question was.

Alderman O'Neil stated we have an on-going discussion regarding whether or not we owe the Pension fund...where is that reflected here.

Mr. Bassett replied that would be reflected to Note 11...that would be reflected...the Pension fund is not audited by McGladrey & Pullen.

Alderman O'Neil stated as I recall you noted that in your report.

Mr. Bassett stated the Pension fund is audited by other auditors and we refer to their opinion so we're not able to agree or disagree, we're not giving that opinion on them we're just sliding their numbers into the primary government's report.

Alderman O'Neil stated that answers my question thank you.

Mayor Guinta asked who provides the projected salary increase where it says between 4% and 14%.

Mr. Bassett replied that would be with the actuaries as they're going through the components of the assumptions with management.

Alderman Gatsas asked can you tell me...are we subject to GASB 45?

Mr. Bassett replied you will be subject to GASB 43 & 45 yes.

Alderman Gatsas asked how much does that look like it's going to be?

Mr. Bassett replied GASB 43 & 45 does not mandate the City to do anything other than what it is currently doing now. But, as far as the pay as you go number and the annual required contribution I don't know Randy if you have that analysis...that's an actuary calculation.

Mr. Sherman stated we've taken a look at it and we actually don't think we have any liability. Our post retirement benefits are fairly limited...there's some health insurance and if we look at the actual claims versus the premiums that the retirees are paying we're actually covered.

Mr. Bassett stated it has to be actuary calculated...we would just take the specialist and look at that calculation once they measure those opted benefits.

Alderman Shea stated he has a departmental report as well.

Mr. Bassett stated I have the Management Letter...we had five comments, six comments regarding the operations within the City as a whole so we did have the Management Letter and we had one compliance finding...Items 1, 2 & 3 are repeats from the previous year. Number one has to do with non-material, non tax revenue collection departments...our

observations/recommendation is that we'd like to see those cash registers tied into the system used by the City, a more timely reporting and more uniform policies. Number two we talk about segregation of duties within certain departments for purchasing. In many instances the same person is receiving the goods as ordering them and approving the invoices. Again, there's no central purchasing policy within the City to limit that improper segregation of duties. Number three we talk about the City have one location or department responsible for grant and/or program activity monitoring...that's with compliance with the federal and state programs. Many, many departments are receiving federal programs. In fact, we do have a compliance finding as far as the monitoring of one of those programs this year regarding the Davis-Bacon Act which is in our Compliance Report...we've repeated that again from previous years. Number four is a comment when we perform our test controls at the Waste Water plant it was noted that there were certain purchase orders that were not properly authorized in accordance with their approval process. At times the same individual generated and approved the purchase orders in addition other small dollar purchase orders were not approved by the department head. There is a policy in place and all purchases should comply with that policy or change the policy if you need to modify it for the smaller purchases. Number five...we talk about the City's policy for reimbursing travel expenses...the policies and procedures that are in place now are always being followed in every instance...in addition there are no formal written policies regarding the approval of department heads and management travel expenses...I think that's an area that Kevin is working on to tighten that up as far as having uniform policy as far as travel reimbursement goes and travel expenditures go for your employees.

Alderman O'Neil stated you'll be pleased to know hopefully you won't have the same observation regarding item 2 because we've taken some steps forward on that. But, my question on item 3...number one I didn't remember that but don't we actually funnel all grants through our Community Improvement Program.

Mr. Bassett stated you're receiving...we have a compliance finding on a recreational grant this year basically for construction and one of the compliance requirements under the federal government is that documentation of certified payroll be maintained for a certain number of years for those projects. So, we would go to the department that's administering that program and ask for the supporting documentation. Well, although we were able to obtain the documentation by going to the vendor and getting it back that department itself did not know it had to keep the Davis-Bacon certified payrolls on-hand for us to come audit. So, it's getting more and more complex and it's our opinion that as grants come in and there's certain unique requirements that department heads administering those grants be aware of is that the proper documentation is kept.

Alderman O'Neil stated don't we in fact...you say the City does not have one centralized location. We actually do because that grant would have been funneled through our Planning Department.

Mr. Bassett asked is the compliance being handled by the Planning Department of that grant?

Alderman O'Neil stated so what you're saying is that's by the individual department's then.

Mr. Bassett stated that's where the risk is because if you're not compliant with the grant rewards...

Alderman O'Neil asked where traditionally should that position be?

Mr. Bassett replied it could be a function of Finance, it could be a function of...I would probably suggest that it be a function of Finance or the major department that's receiving the bulk of your federal funds.

Alderman O'Neil stated that could be three or four departments in this City. Is that something the Internal Auditor could...

Mr. Bassett stated the Internal Auditor could also do that. You can go through your federal dollars and there's some large sums of money that you receive every year that probably are best parked with those departments because they are very familiar with the programs, the program requirements and the federal requirements associated with your four major programs you have every year. But, when you start getting the grants that maybe aren't as material going to certain other departments that's when a person coming in to oversee those maybe beneficial.

Alderman O'Neil asked is that something that someone in the Planning Department could be doing where everything is funneled through?

Mr. Bassett replied absolutely. There's no set place in stone where that department has to be.

Alderman Shea stated there are certain types of observations that you bring forth each year particularly departmental cash receipts and so forth. Does it ever reach a point where for whatever reason the City becomes I guess...in other words can they be fined or can they lose their rating and so forth or are they minor points. ?

Mr. Bassett replied these would be minor observations. Again, we spoke to the previous committee. We have three levels and this is changing but we have three levels of proficiencies that we're required to report on will be a material weakness, a material weakness would be something that there is something in your tax collection process, something in your payroll department, something like that that would have a major material impact on the financial statements. If a misappropriation or an irregularity were to occur and

not be prevented or detected in a timely manner that would lead to a material misstatement in the financial statements. These are minor observations that we do as we gather our test of controls. So, again, they're just observations. If you act upon that's totally up to management and this Board but we as we come across these on a government auditing standards we're required to report these to you.

Alderman Shea stated in a discussion I had with Randy today concerning the cash receipts he recommended and I'm not going to take credit but he recommended possibly that Kevin Buckley be responsible for formulating...he's our Internal Auditor...your Honor, I'd like to make a suggestion that he look into some of these particular matters. Particularly, the cash receipts and recommend to a committee possibly Administration or whomever that certain guidelines be followed. He is the accountant for particular departments here so he's familiar with different types of operations and I think that it's incumbent that we have someone to start working on these projects so I would make that as a recommendation or a motion.

Alderman Roy duly seconded the motion. The motion carried with Alderman Smith duly recorded in opposition.

Mayor Guinta asked are there any other comments for Scott. There were none.

CONSENT AGENDA

Mayor Guinta advised if you desire to remove any of the following items from the Consent Agenda, please so indicate. If none of the items are to be removed, one motion only will be taken at the conclusion of the presentation.

Accept BMA Minutes

- A. Minutes of meetings of the Board of Mayor and Aldermen held on October 17, 2006 (two meetings), and October 23, 2006

Approve under supervision of the Department of Highways

- B. PSNH pole petition #4139 for two poles located on South Mammoth Rd.

Informational – to be Received and Filed

- C. Manchester Transit Authority minutes of January 3, 2007 and the Financial and Ridership Reports for December 2006.
- D. Communications from the NH Department of Transportation presenting offers for various properties relating to the Airport Access Road and advising of intent to file a Declaration of Taking if offer is not accepted within 30 days.
(Note: Board has previously approved amounts offered and authorized disposition of same subject to Airport Director and City Solicitor approval.)

REPORTS OF COMMITTEES

COMMITTEE ON BILLS ON SECOND READING

- E.** Recommending that Ordinance:
“Amending the penalties for certain Code Sections listed in 38.06 Penalties and providing for a penalty for failure to pay within 7 days.”
ought to pass.
Unanimous vote.

COMMITTEE ON HUMAN RESOURCES/INSURANCE

- F.** Recommending that an Administrative Assistant III position (Grade 14) in the City Clerk’s office be reclassified to a License Enforcement Inspector; and further that the License Enforcement Inspector Classification formerly used by the City Clerk be updated with a reduction in Salary from Grade 17 to Grade 15; and for such purpose an ordinance has been submitted for referral to the Committee on Bills on Second Reading.
Unanimous vote.

COMMITTEE ON PUBLIC SAFETY AND TRAFFIC

- I.** Advising that it has approved use of Arms Park on the dates following:
Saturday, May 6, 2007 for MS Walk (10:30am – 4pm);
Saturday, May 26, 2007 & Sunday, May 27, 2007 For 16th Annual Rock 101 Sky Show (both days);
Friday, August 10, 2007 for Bicycle Tour (5pm on); and
Saturday, August 11, 2007 for Bicycle Tour (all day)
Unanimous vote.
- K.** Recommending that the parking permits issued for the Middle Street Lot be cancelled effective April 1, 2007.
Unanimous vote.
- L.** Advising that it has approved an ordinance amendment providing for evening permits in the Millyard Lots:
“Amending Chapter 70: Motor Vehicles and Traffic of the Code of Ordinances of the City of Manchester by inserting a new Millyard parking lot permit option in Section 70:54(B): Permit Parking In Lieu of Coin Deposit for various parking lots within the Millyard.”
and recommends same be referred to the Committee on Bills on Second Reading for technical review.
Unanimous vote.

HAVING READ THE CONSENT AGENDA, ON MOTION OF ALDERMAN O’NEIL, DULY SECONDED BY ALDERMAN PINARD, IT WAS VOTED THAT THE CONSENT AGENDA BE APPROVED.

Report of the Committee on Joint School Buildings

- G.** Advising that it has accepted the February 2007 monthly report on the School Facilities Improvement Program and is forwarding same to the Board for informational purposes.
Unanimous vote except for Alderman Thibault who was absent.

Alderman Shea stated this says:

“advising that it has accepted the February 2007 monthly report on the School Facilities Improvement Program and is forwarding same to the Board for informational purposes.”

for that obviously I'm in agreement but at this time, your Honor, because I'm on the Committee on Public Safety I would like to bring up the fact that the repairs of the roof at Hallsville School and I'd like to bring up certain points...we all agree that the safety and security of our school children and teachers must never be compromised. The condition of the Hallsville School roof needs repairs and as you at the meeting one of the Board members indicated that snow should be removed from the roof because of the condition of the roof. The school principal stated in a recent article that I have here, your Honor, the *Manchester Daily Press*, he stated that the longer we wait the greater we risk and so basically he's talking about the roofing at Hallsville. The School District's '07 CIP priority list had repairs...I believe, your Honor, it was number one...

Mayor Guinta interjected it was.

Alderman Shea stated as you read from the list of the February 12th Board meeting the School District in '08 their priority has repairs at number five and that was a meeting on February 5th by the Finance Committee...the Building and Sites Committee had it listed as number one or number two and it was obviously replaced by the Finance Committee. In reviewing the structural engineer's report and I want to just comment on page 4 and there's a commentary that they made and I don't want to read the whole part but it says that the issue of open joints in the trusses was noted in a previous report by another structural consultant. In our opinion some of these open joints are structurally significant whereas others due to stress reversals as a result of the 1908 reconfiguration of the trusses followed by long-term deformation of the structure over its 98-year period. So, this report prepared by structural engineers in January 24, 2005 indicates that the condition of the roof is not in sound shape. They also, your Honor, recommended ten different items and the items are shimmering of the truss member connect has gaps, the provisional bolted steel connection plates at all "X" crossings resupportive beams, replacement or resupport of knotted beams and so forth so this report was prepared in conjunction with the Gilbane type of reconstruction that was going on. As far as personal observations on my part it is important or it is impossible rather to do everything needed or wanted. So, let's focus on what's most important. Additions to buildings are much more important in their own rights but not as important as structural repairs to the roofing at Hallsville School. Hallsville School has served our community for over 100 years. It has super students and parents and a dedicated faculty deserving of our financial report. So, what I would like to do is I would like the CIP Committee in their review of the School District's CIP budget to give serious consideration of the funding of the needed roof repairs at Hallsville School and I know that there's discussions concerning contingency funding but that's probably not going to be possible and I know that you're

working with Congresswoman Shea-Porter trying to get money back for the City so if that's the case I would hope that that could be used.

Mayor Guinta stated I would like to accept that in the form of a motion to refer it to CIP and have a formal review to try to identify funds.

Alderman Roy duly seconded the motion. There being none opposed, the motion carried.

Alderman Shea moved to accept, receive and adopt the report of the Committee. Alderman Roy duly seconded the motion. There being none opposed, the motion carried.

Mayor Guinta stated that you for bringing it up, Alderman.

Report of the Committee on Public Safety and Traffic

- H. Recommending that regulations for standing, stopping, parking and operation of vehicles be adopted as noted and those inconsistent therewith be repealed.

(Unanimous vote)

Alderman Duval moved to table item H until such time as we can clear up some ambiguity that I think exists relating to the request and I noticed Mr. Hoben is not here this evening.

Alderman Roy moved to second the motion with an amendment relating to the one item and passing the remainder.

RESCIND NO PARKING ANYTIME:

On Beech Street, east side, from Webster Street to Amherst Street (ORD. 2622).

Alderman Duval stated that would be fine, sure. What would you be happy with, Alderman Roy?

Alderman Roy replied there was a perceived mistake with No Parking on the east side of Beech Street coming out of the last meeting and so I ask the Alderman making the motion that we approve the rest of the report except for that one item.

Mayor Guinta called for a vote on the motion to table the referenced item and accept the remainder of the report. There being none opposed, the motion carried.

Report of the Committee on Public Safety and Traffic

- J. Recommending that the Victory Parking Garage Management Agreement presently carried on a month to month basis be canceled and that the garage be managed by the Parking Division be approved; and that positions presently retained by the management company be transferred to the City as recommended by the Parking Manager and submitted to the Human Resources Committee. The Committee notes that it has considered relocation and retrofitting of the garage to accommodate the parking division which the committee has not taken action upon until further information is provided relating to the fit-up.

Unanimous vote.

Alderman Lopez stated at the appropriate time I'd like to make an amendment to Item J and I commend the committee for coming out with this particular item. I had a conversation with the Chairman of the Administration Committee and the Chairman of the Public Safety Committee and Deputy Chief Lussier and Brandy Stanley our Parking Manager. To try to get this thing moving in the proper direction for the rest of the year come up with a pilot program as was passed out by the City Clerk to the Aldermen...the proposed pilot program to test the effectiveness of transferring management to the Parking Division as follows: The pilot program pursuant to Section 3.01(c) of the City Charter and the Parking Division will have complete managerial and fiscal control of the PCO's. During the pilot program, the PCO's will formally be Manchester Police Department employees, but all salaries, benefits and operational expenses including uniforms will be paid by the Parking Division. The Parking division management shall have full authority to hire, discipline and terminate PCO's. The Manchester Police Department will turn over the PCO radios and handhelds to the Parking Division. PCO's will not be allowed anywhere inside the Manchester Police Department unless authorized by the Chief of Police. Identification badges will not be issued to PCO's or Parking Division management. Parking division management will ensure that the Manchester Police Department has all equipment necessary to issue parking tickets on a daily basis, and will manage the information transfer process between the ticketing software and the handhelds. Parking Division management and the Manchester Police Department will communicate on an on-going basis as needed. The measures of success in working this out with the Chairmen and Brandy on a timeframe will be the remainder of FY2007 and all of FY2008 for budget purposes after which the result will be examined and the pilot program terminates or the PCO's will be transferred formally to the Parking division. It is expect that the pilot program will produce the following positive benefits: increase in revenues of no less than 25%; expedited complain resolution; improve public image; and increase in number of meter transactions, reflecting a change in behavior on the part of the public (reduction in gambling with regards to decisions about whether or not to pay the meter). The victory Parking Garage Renovation...the current proposal before the Committee includes expansion and renovation of the office space in the Victory Garage at a cost of approximately \$175,000, which is available in the parking enterprise budget. The cost to renovate the existing square footage, create a meter shop and house the PCO's in the currently unused bathroom would be approximately \$90,000. The original plan to enlarge the space would be tabled until operations are set up and running, after which point the enlargement would be discussed by the BMA. The Director is here and any questions can be directed to me or any of the Chairmen of the Committees...we have to move this forward so we can get something on the books.

Mayor Guinta asked is this in the form of a motion to amend.

Alderman Lopez replied yes it is. Alderman O'Neil duly seconded the motion.

Alderman Gatsas stated I guess I have a few questions for whoever's going to come up and take the seat unless you, Alderman Lopez, want to answer them.

Alderman Lopez replied no we hired a director to answer them but I can answer them.

Alderman Gatsas asked do you want to try? Can you tell me the number of PCO's that we currently have.

Ms. Brandy Stanley replied we have four.

Alderman Gatsas asked four full-time?

Ms. Stanley replied no...two that are full-time walking PCO's...one that's part-time that works evening and one driving PCO.

Alderman Gatsas asked currently are they on...they're employees of the Police Department...what do they participate in for retirement...the three full times that you have.

Ms. Stanley replied they are members of the Patrolmen's Union and what they participate in is consistent with the Patrolmen's Union and I apologize I don't have that information right now.

Alderman Gatsas stated that would be Group II...Chief, Group II?

Alderman O'Neil interjected no they're not in Group II.

Alderman Gatsas stated they're part of the Patrolmen's Union they'd better be.

Alderman O'Neil stated I don't think so.

Mayor Guinta Patrolmen's are part of the state correct.

Alderman Gatsas stated I'm getting different answers...yes, no are they or not?

Ms. Virginia Lamberton, Human Resources Director, replied I'm fairly certain they're in the City's Contributory Retirement Plan...they're not certified police officers which would be one of the minimal requirements to be in Group II retirement.

Alderman Gatsas stated so they're on the City side.

Ms. Lamberton stated I believe they are.

Alderman Gatsas stated can we get that confirmed because I'm sure they're not going to want to leave Group II to come to the City side if that's what this requisite is asking for.

Ms. Stanley stated if that's what your question is I see the payroll and there is City Contributory taken out of their payroll.

Alderman Gatsas stated yes but there's a difference between Group II retirement and City...there's a big difference. I'm sure the employee's wouldn't be happy if we were moving them or I don't think they'd go along with it.

Ms. Lamberton stated I'm 99% sure.

Alderman Gatsas stated if we can just get that answer. Two without increasing the number of PCO's how are we going to increase revenues by no less than 25%?

Ms. Stanley replied one of the things that we're going to do is we are actually going to recommend hiring more PCO's.

Alderman Gatsas asked how many more?

Ms. Stanley replied all told I'd like eight, which is double the current complement.

Alderman Gatsas asked full-time?

Ms. Stanley replied six full-time and two part-time. But, I'll have a better idea once I actually under what they're doing once they start working for me.

Alderman Gatsas stated so we're increasing the complement...how many total meters do we have in the City now?

Ms. Stanley replied we have about 3,000-metered parking spaces probably about 1,800 single-space meters and then the 100 Pay & Display's.

Alderman Gatsas asked what is the capacity of the number of meters that one PCO can accomplish in a given day?

Ms. Stanley replied I think it depends on what you're enforcing. If I had four full-time PCO's that worked in a day I would be able to enforce the expired meters as well as the time limits on the space for the entire system. How many meters a single PCO...we would have to divide it up into logical routes. For instance, the Millyard is a larger geographical area with a lot more meters but we'll probably only need one PCO as opposed to the downtown

core because the turnover is so high you actually need more PCO's to manage a smaller number of spaces.

Alderman Gatsas asked if there are 3,000 meters the biggest bulk of them are 2-hour parking.

Ms. Stanley stated that's correct.

Alderman Gatsas stated so if we said in the course of eight hours...I'm just using round numbers...let's say 2,000 of those meters are in the course of a 2-hour parking and if we said there were four segments in that 8-hour period that means that number would have to go to 8,000 meters because obviously if we aren't walking by those meters every two hours we're not going to get any enforcement out of them so I guess my question is 8,000 for four people...that's 2,000 meters a day...I don't have to do the math too quickly to tell you that in an 8-hour period is going to be somewhere around 300 meters...now, I don't know if that's possible for anybody to see.

Ms. Stanley stated it is possible. I've talked to a number of other cities and other parking managers and given the number of meters that we have it's logical to have eight and be able to manage it successfully. The City of Portsmouth has 800 parking meters and they have four full-time PCO's and they're able to time each block every two hours without fail. They actually make the same amount of revenue we do but we have three times as many parking meters.

Alderman Gatsas stated say that again please for the public to hear.

Ms. Stanley stated the City of Portsmouth...we have three times more meters than the City of Portsmouth does and their revenue stream is approximately the same as ours.

Alderman Gatsas stated I guess there's a lot of people gambling on whether they're going to get caught or not.

Ms. Stanley stated I think that you're absolutely right.

Alderman Roy asked Brandy who's in charge of "booting" vehicles at this point.

Ms. Stanley replied the PCO's.

Alderman Roy stated if they fell into your department would there continue to be one person in charge of that program?

Ms. Stanley replied yes.

Alderman Roy asked how many outstanding “bootable” cars do we have in the City, do you know?

Ms. Stanley replied I don’t know the answer to that.

Alderman Roy stated would you it shock you if I told you that number was up over 150.

Ms. Stanley stated no.

Alderman Roy stated that is one thing that I’d like to look into or have you look into...the repeat offenders are plaguing our streets and with one person I can see that as an extremely daunting task to get the boots out there, get the vehicles identified and get them “booted”. So, I wish that would be something we could focus on as well.

Alderman O’Neil stated just for clarification...I think I’m correct on this...the authorized number of personnel is currently is four full-time and two part-time.

Ms. Stanley stated I believe that’s correct yes.

Alderman O’Neil stated I don’t think we’ve ever filled the second part-time position and I think we just recently lost in the past few months the fourth so Randy’s suggestion of two more full-time is not an unrealistic goal. I think this is a good step forward. I had several concerns in a complete movement of the PCO’s...number one they’re safety. I think it’s very important that they keep some tie to the Manchester Police Department for their own safety. I think it’s important that they have radios that can communicate with the Manchester Police Department, I think that’s extremely important and I think we can take a look at it at the end of a year those that will be here and say yes it’s the right thing to do and move them over full-time permanently or move them back to the Police Department permanently. The other thing that comes into play with this...we cannot walk away from the Police Department’s responsibility in parking enforcement in the City of Manchester and I’ve talked to the Chief about this and probably all three Deputies, Lt. Hopkins...we need to step up that effort because there’s not PCO’s 24/7 but there are police officers. We’re not writing enough tickets not only in the downtown area but in other sections of the City and it greatly bothers me when I see cars in neighborhoods parked in front of fire hydrants, in handicapped zones, etc. So, we don’t need to sever complete ties with the Police Department regarding parking issues. They need to be a partner with the Parking Division on this. I think this is a step forward, I think we were trying to move too quickly and you have to crawl before you walk, before you run. So, I think this gets us walking a little bit.

Alderman Osborne stated I’ve been on the PCO’s for quite a few years actually years ago I was always saying we need more PCO’s out there they pay for themselves, their vehicle and still make money for the City and at the same time we clean the City streets...I’ve been

saying this for years. I think it's finally coming to a head and basically the monies when you do hire...when you say eight more, six here or whatever to help Kay out, for instance, she makes more than her share out there and there's a lot more...somebody to cover the west side and cover the east side. We have a big problem out there. In my ward if I could dish out tickets I could make a fortune...it's not the idea of making money out there, I hope the people don't think of it that way but it's the idea like Alderman O'Neil said of parking in front of fire hydrants and things of that sort it gets under my skin too because it's just not right if something happens it's a safety issue. Can you tell us when you hire these new PCO's where the monies are coming from and it's not really going to hurt the taxpayers.

Ms. Stanley replied as I just shared some revenue information about the City of Portsmouth I think it's fairly evident that whatever PCO's we hire will more than pay for themselves. So, the net effect to the taxpayers is going to be a positive one because any PCO is more than going to pay for themselves.

Alderman Gatsas asked do you have four or do you have eight because you gave me one answer and gave Alderman O'Neil another.

Ms. Stanley stated currently there are four...three full-time and one part-time.

Alderman O'Neil stated but she's actually authorized one more of the Police Department is authorized one more full-time and one more part-time...it's 4-and-2 so there's six positions authorized.

Alderman Gatsas asked have you done any analysis to make sure what we're doing before we just jump into this is going to generate the revenues without the expenses that we're talking about because I know that we had another issue about looking at expenses and revenues to make sure it was going to generate it and it seems as though the expense side grew at a much larger scale than what we anticipated? When people use their credit cards for a \$.50 cent transaction and it's costing us \$.21 cents to do that.

Ms. Stanley stated I understand your concern but really all you need to do is just pick four or five streets and walk down them during the course of the day and you'll see that by the lack of enforcement that we've had in the City, just by the fact that we don't have enough PCO's...I think the ones that are there do a great job...you'll see that as a City you have people that gamble especially in the evening. You're going to see that there are an enormous number of vehicles that just choose not to pay the meter. I know that that's the case I've talked to another parking professional that lives in New Hampshire that purposely comes down, they have season tickets to the Monarchs games, they park on the street and they don't pay because they know there's a reasonably good chance that they will not get a parking ticket. I think that that is a mindset that is fairly prevalent in the City and all you need to do is walk down a few of the streets during the course of the day and the evening and you're

going to see that there's a very large number of vehicles that just choose not to pay the meter.

Alderman Gatsas stated I know that during the last Parking Committee meeting...employees were parking in that lot and taking up the spaces of customers looking to go to City Hall and you said you hadn't done it...have you done it since then?

Ms. Stanley replied if they're parking their own personal vehicles I don't have any way of knowing that they're City employees. So, to the extent that there are a few City cars that park in the lot every day I've never seen more than two or three but if there are City employees that are parking their own personal cars I can't do an audit because I don't know, I don't have access to the information to determine who owns the car.

Alderman O'Neil stated just two final points for me. We have issues beyond the meters especially in the evening...back alley parking is a major issue and it's a major issue if there's ever a fire...if the Fire Department can't get a fire truck down those alleys that happens with many of the businesses that have deliveries. I think you could put a PCO just walking the alleys and tagging cars...that's a major safety issue. There's one bullet here that I think is extremely important and it can't be taken lightly...the Parking Division management and the Manchester Police Department will communicate on an on-going basis...I'd like to see us strike the words "as needed". I think they need to be partners in this and I think Brandy and not necessarily the Chief but Deputy Lussier, Lt. Hopkins they need to communicate with each other regularly and work with each other because Brandy's not going to be able to solve all of the problems. She's not going to have people 24/7 and a lot of these problems are 24/7.

Alderman Osborne stated getting back to the PCO's when they're at the Police Department they have a very stringent background check whereas when they go with you are Parking Manager it's not as stringent. So, they had a hard time hiring people for these particular jobs...now, we shouldn't have any problem at all I don't think hiring anybody except for a standard background check so it would make it a lot easier wouldn't it.

Ms. Stanley stated it would make it very much easier yes.

Alderman Smith stated I'm really concerned about enforcement. Alderman O'Neil hit it on the head with back alley parking. I'm addressing the people that park on the sidewalks like a school sidewalk and I'll just say Boynton Street...101...and people park on the sidewalk. Are you going to enforce that or the Police Department going to enforce it?

Ms. Stanley replied at this point it depends on where it is...the mobile PCO works from 8 AM until 4 PM at which point she can respond to requests for issuing parking tickets in various parts of the City. Her time is mostly taken up by filling in for PCO's that are not

able to come to work today, for doing abandoned vehicles, for doing boots...there's a lot of hats that she wears and I know that to some extent a lot of the tickets that she issues currently are the result of complaints that are called into the Police Department.

Alderman Smith stated I really think the schools are very, very important and you can go down and I have a granddaughter that goes to school...if you go down Beech Street anytime, anytime of the day and you'll see them on the sidewalk...go over to Boynton Street, Donald Street...people park on the sidewalks and they have to be enforced. All I want to know is who is going to enforce it...somebody gives me a complaint then I want to know do I call the Police Department or do I call the PCO's.

Ms. Stanley stated the first call should probably be the Parking Division for the PCO's and if for some reason we don't have the resources we can place a request to the Police Department because I think we should take the responsibility first. If for some reason we are unable to do that then we can call the Police Department but again that's going back to what Alderman O'Neil said...we do need to work very, very closely with the Police Department because we're going to be supporting each other day and night and that relationship needs to be very close.

Mayor Guinta stated the question is on the amendment. There being none opposed, the motion carried.

Alderman Lopez moved to accept, receive and adopt the report of the Committee as amended. Alderman Pinard duly seconded the motion. There being none opposed, the motion carried.

Report of the Committee on Public Safety and Traffic

- M.** Recommending that a request of Alderman Osborne that a non-binding referendum question be sent to the voters as follows:
- “Are you in favor of requiring that all drivers in the State of New Hampshire carry motor vehicle liability insurance?”
- be approved.
- Unanimous vote.*
- (Note: Unless otherwise ordered, City Clerk would place question on November Municipal General Election Ballot.)*

Alderman Osborne moved to amend the report by changing the question to read:

“Are you in favor of requiring that all registered motor vehicles in the State of New Hampshire carry mandatory motor vehicle liability insurance.”

Alderman Duval duly seconded the motion. The motion carried with Alderman Gatsas duly recorded in opposition.

Alderman Osborne moved to accept, receive and adopt the report of the Committee as amended. Alderman Duval duly seconded the motion.

Alderman Gatsas stated I think we've been down this road once before. I don't know what we think that a non-binding resolution vote is going to meet in Concord. There's a discussion happening tonight about an adequacy grant at Memorial High School. I don't know how many people are there, they had one in Nashua and there were 12 or 14 participants. I would think that just reading from the information that was given to us by the Insurance Department that this isn't going to rectify any problem. There are people that are going to drive without it even though it may be binding, not binding or even a law. It's happening in Massachusetts...this is only going to increase rates for people that have insurance now. So, I don't know why we're looking to put a burden on somebody until we get the facts of even why we're going to a non-binding resolution. I don't know what this is going to accomplish.

Alderman Osborne stated I guess I could answer this all night long but to make it short all I'm asking for again is a non-binding referendum question to let the City or the people in Manchester decide whether they'd like to have mandatory liability insurance or not. There's a lot of things going on out there as far as abandoned cars and the City could save a lot of money also. The thing is here as Alderman Gatsas is stating what good will it do. Well, I think if we have 110,000 people in the City of Manchester let's say there's 60,00-65,000 drivers that have insurance I think this is the answer here because us as Aldermen don't have the ability to make a decision with everything that we do up here. So, I think this is the only way to do it and I think this puts a little powder behind the bullet...I've said this a million times for the legislation and the legislators I should say and the State of New Hampshire. It's come before the legislature for many, many years probably almost every year...what's holding back I guess is a few things they're worried about...the poor and different things like that but you have to remember there's 48 other states that have mandatory insurance. So, I don't know what we're waiting for and there's a lot of poor people there too but I think if they can ride around with a \$3,000 boom box in their trunk they can afford \$800 worth of insurance.

Alderman Gatsas stated there are normally about 18,000 voters that will come to an election so I don't think that's the 110,000 and I think that there are 49 other states that have an income tax and we don't have one in New Hampshire and I guess maybe that's why our economy keeps growing. So, I guess I would say again that it has come before the legislature on a regular basis, I'm surprised it's not there in this session but probably will appear again in the next session and it's always been defeated. So, I guess that kind of tells us that from the information we've gotten at the legislature that it's only going to increase rates for the rest of us that buy insurance and I don't think it has anything to do with boom boxes.

Mayor Guinta stated final point Alderman Osborne and then we'll take a vote.

Alderman Osborne stated Mr. Gatsas I think if you went in your ward alone and you asked your constituents what they thought whether we should have mandatory insurance in this state or not what kind of a count do you think you would get...what kind of a response do you think you'd get but if you ask people up in concord of course that's a different ballgame but we're talking about the people of Manchester here and I have no problem with a referendum question I don't care what it is let the people decide. I don't want to debate here that's up to you what you want to do Alderman. Thank you.

Alderman Gatsas stated I will continue the debate. Obviously, if we tell the people in Ward 2 that it's going to increase their insurance costs their answer probably would be no.

Mayor Guinta stated the question has been moved. The motion carried with Alderman Gatsas duly recorded in opposition.

There were no nominations presented by Mayor Guinta.

6. Confirmation of nominations presented February 6th:

Conservation Commission

Victor Goulet to succeed Marty Gavin (resignation), term to expire August 1, 2008;

Gregory Duval to succeed Kathleen Neville (resignation), term to expire August 1, 2008

Safety Review Board

Craig Smith to succeed Mark Laliberte (resignation), term to expire March 15, 2009.

Trustees of Trust Fund

Sylvio L. Dupuis to succeed himself, term to expire January 2010

Kevin J. Howe to succeed himself, term to expire January 2010

On motion of Alderman Pinard, duly seconded by Alderman Shea, it was voted that the nominations be confirmed as presented.

OTHER BUSINESS

Mayor Guinta stated we will hand out the State Legislative update, I don't have any particular comments. There is one update. If anyone has any questions I can answer them at the end of the agenda.

Alderman O'Neil asked how's the twins bills doing up in Concord.

Mayor Guinta asked the, which bill?

Alderman O'Neil replied the twins...I'll check on it with Senator Gatsas, your Honor.

8. Communication from Carol Johnson, Deputy City Clerk advising of the vacancy of a Representative to the General Court in Ward 2, advising the Board of options available for action and requesting the Board advise the City Clerk how they may wish to proceed.

Alderman Gatsas asked do you have options?

Mayor Guinta replied I believe the options are included in the agenda under Item 8.

Alderman O'Neil moved for discussion. Alderman Roy duly seconded the motion. There being none opposed, the motion carried.

Alderman O'Neil stated I do always get concerned when we're short members of the legislature and God forbid that there's some bill of importance to the City of Manchester and it fails by one vote of something like that. I think it's a pretty serious item to address as soon as possible myself.

Alderman Gatsas stated the dates that I see here...are these just suggested dates or can we change those dates? It looks like there's an awful long lag between the filing period, the primary date and the special election and I guess my question is let's assume for one second that there is no need for a primary because there's only two people in the race do we still need to go through a primary date or does that state that down...it's stated if there's only one person but it doesn't say if there's two.

City Clerk Bernier stated Alderman Gatsas you're correct. If there is no runoff then the primary date would become the general election date.

Alderman Gatsas asked are these dates specifically from a filing period to a primary date I noticed it's almost like 30 days in between. Is there some statute that requires that or if we said the filing period is from March 12th to the 19th and the primary date is March 30th and the special election.

City Clerk Bernier stated there is a formula that they have to follow for dates. So, the primary date would be scheduled for April 24th. If there is no primary, no runoff then the general election will be April 24th.

Alderman Gatsas stated maybe I wasn't making myself clear. I'm saying to you is there a reason by statute that we have here dates of March 12th to the 19th.

City Clerk Bernier stated yes there is...it's a formula.

Alderman Gatsas asked what is the primary date leeway between the filing period and the primary date because I noticed in other communities they do it in a much accelerated fashion.

City Clerk Bernier stated I would have to look at the law. As you noticed in the explanations it states elections held between 80-87 days and the of the Governor and Council action. So, there's a law telling us we have to have so many days after the filing period.

Alderman Gatsas stated I think the law states we must have something between and 80 and 87 day period that the election must happen.

City Clerk Bernier stated that's correct but there is also a statute which I don't have with me that says after the filing period there are so many days after that a primary can be held.

Alderman Gatsas stated I don't think we have the luxury of defining what that is. I think we need to have this discussion pretty quick because the Council meets on the eighth. Do we have another meeting before the eighth?

City Clerk Bernier replied the sixth.

Mayor Guinta asked what is your recommendation, Alderman?

Alderman Gatsas replied my recommendation is.

Mayor Guinta asked is your recommendation to table it?

Alderman Gatsas replied I'd just like to close the 90-day window that's here to a much more concise window because I know that the windows in other special elections are a much closer window than what we have here.

City Clerk Bernier stated I would have to look into that.

Alderman Lopez asked why couldn't we just authorize the City Clerk to conduct the election as soon as possible working with the Governor and Council and let him proceed.

Alderman Long stated I will second that. I was wondering if there were time periods with respect to the Governor and Council...the filing period and the primary date and leeway of time to set these times. From what I'm understanding is that if we move today...the March 8th Governor and Council date, on April 24th if there are only two people running...one from each party April 24th would be the special election.

City Clerk Bernier stated that's correct.

Alderman Gatsas stated I'm only looking at the dates and looking at May 29th...by then we're just about done the legislative session so there's no reason why it makes sense if we can't move it up to get that person into the seat a lot sooner.

City Clerk Bernier stated I would suggest this Board order the City Clerk's office to forward a letter to the Governor's Council saying let's go with March 8th and then we'll research the statutes to see if the election could be held sooner than April 24th.

Alderman Gatsas moved to the City Clerk Bernier's recommendation. Alderman Long duly seconded the motion. There being none opposed, the motion carried.

Alderman Gatsas stated if I may add...if there are any other people that are thinking of resigning I hope they do it to coincide with this special election.

9. Communication from Jennie Angell on behalf of the MECRS Advisory Committee advising of the sponsorship of HB629 designed to protect the pension affiliation of existing City employees who are members of the Manchester Employees' Contributory Retirement System as enclosed, and requesting the Board's support of same.

Alderman Shea moved for discussion. Alderman Duval duly seconded the motion. There being none opposed, the motion carried.

Mayor Guinta asked if you could give a quick overview. I think this is something we all support, a quick overview and then we can take a vote.

Ms. Jennie Angell stated what we're here for is to give you background on HB 629 and requesting the Board's support. This started last year during some of the proposed reorganizations...the school nurses...it was suggested and looked into the school nurses being moved over to the School Department and one of the issues that came up was if they had been moved those nurses that are now part of the Contributory Retirement System would have to freeze their participation where they were and then join the state retirement system which would have considerably impacted the benefits to a lot of the long-time employees. We also thought it would probably be a roadblock of having a reorganization that may have made sense go forward because it would have adversely affected a lot of long-term City employees and when we talked about this...this was something that has happened previously...District Court at one point earlier on used to be a City department and was moved over to the state and when they did that there was legislation that grandfathered existing employees that gave them the option of either staying with the City Retirement System or moving to the State Retirement System. So, what we did was dust off our legislation, reworked it so it's generic, it applies to any City employee who is currently on

the Manchester Employee's Contributory Retirement System...if their division, department, organization for whatever reason is moved to a department of whatever that would be covered under the State Retirement System the employee would be given the one-time option of either staying with their existing retirement system of the City or moving to the state system. I spoke with Randy briefly on this and he considers it a no cost bill to the City. We think it's good for employees and we think it's good for the City in that it removes roadblocks if there a reorganization that makes sense and long-term employees wouldn't be adversely affected.

Alderman Shea stated you're discussing it from the point of view of the people that would be impacted. How about the other type of consideration...in other words does the state require people in certain positions to be part of a particular group or not? Are we legislating something on a local level that might have some state implication or not?

Mr. Gerard Fleury, Executive Director of the City Retirement System, stated this legislation really avoids a turf conflict between the State Retirement Plan and City Retirement and the example that Jennie cited is really one where had the individual transferred from one City department to another they would then have fallen under a state statute that required them to participate in the State Retirement System. What we looked at was something that she mentioned that did happen before where we knew there was precedent for this. It would protect the individual so that if you had an individual that had 20 years in the City plan and is only a few years away from retirement that by virtue of the fact that it made good business sense to move them into another department or another division where they would become subject to the State Plan that they wouldn't have to go over. It would give them the option of remaining with the City Plan but then that position when that individual retired that position would then be subject to the State Retirement laws and any successor or individual hired into that position would then be in the State Plan.

Alderman Shea stated that was my question really. By moving a person into a position that normally would be a state retiree kind of status because that person...by this we can make a decision on the part of an individual who is currently in one retirement going into a position but that position by its very nature is a State Retirement position, however, because that person is grandfathered into the City Retirement as you indicated that does not have precedence. In other words, we can do that without necessarily violating any kind of retirement requirement and so forth.

Mr. Fleury stated that's correct. Furthermore, I believe you got copies of the draft legislation...that was updated as recently as today where the New Hampshire Retirement System provided information indicating that they had no fiscal impact on state, county or local revenues or expenditures in fiscal year 2008 or thereafter. So, they've been aware of the fact that this was being pursued and they're not in opposition.

Alderman Shea moved to support HB 629. Alderman Duval duly seconded the motion.

Alderman O'Neil stated we've asked in the past because some of these retirement bills have...we've found out late in the game...I just ask the Advisory Committee before you introduce legislation you really should come to us especially when you're looking for support from us. Over the year's we've gotten boxed in on retirement bills that the legislature has enacted they thought in the best interests of the City and it hasn't always been that way. So, that's been on and off over the years so I guess I'd ask in the future that if you're doing anything you come before us before a bill is introduced especially where you're asking for our support now.

Ms. Angell stated we do have a couple of Aldermen who are on the notification list and we did go before the Retirement Board before it went to legislation but we can do this in the future.

Alderman O'Neil stated in the past we've been boxed sometimes on this legislation so this isn't the case and that is all I ask is that in the future.

Mayor Guinta stated the easiest thing you can do is meet with Mark, go over it, he presents legislative updates to the full Board on every particular issue. If there's a particular request that can be distributed and disseminated to the Aldermen well in advance of a required vote like this...just so that everyone has an opportunity to get a full understanding of legislation.

Alderman Gatsas stated maybe someone can give me an hypothetical situation. If that employee as you said was 20 years in would they make the choice to stay in the City Retirement or to go to the state, which one is more beneficial?

Mr. Fleury stated the individual would be given a calculation of what their benefit is currently in their current plan and they would also be able to receive a projected benefit were they to go to the State Plan because one of the things they could do is they could opt to say I will vest my position in City Retirement and then begin accruing time in the New Hampshire Retirement System or if they'd only been with the City for a short time they could close out the time in the City Retirement Plan, withdraw those funds and start fresh with the State Retirement Plan. Really the optimum decision for them would be based upon their age and how much, how far along they were in their career.

Alderman Gatsas stated now correct me if I'm wrong...employees that are participating in the State Retirement System and the states pays 35% of that contributory amount for the employer match, is that correct?

Mr. Fleury replied that's correct.

Alderman Gatsas stated you said to me that the fiscal impact to the state was zero.

Mr. Fleury stated that's based on the fact that we don't have anybody that actually falls into that category and I believe that's what the fiscal impact statement was based upon.

Alderman Gatsas stated but if you had 50 people that fell into that capacity then it would be a savings from the City side and an impact to the state side.

Mr. Fleury stated if the individual were reorganized in such a fashion that the state statute required that they go to the Retirement System you would incur that fiscal impact regardless of the existence of this piece of legislation.

Alderman Gatsas stated not the 35% of the employer's contribution side because the state contributes 35% of the employer's side right now.

Mr. Fleury stated that's correct and if you were to take...again a Health Department nurse as an example...with that individual into the Manchester School District they become a required participation in the New Hampshire Retirement System. So, if you move that person you've just incurred that 35% by moving them over there...you're correct under those circumstances there would be an expense to doing that as a result of the reorganization.

Alderman Gatsas stated so that fiscal impact statement is not truly correct.

Mayor Guinta called for a vote on the motion. The motion carried with Aldermen Gatsas and Long duly recorded as abstaining.

10. Bond Resolution:

“Authorizing Bonds, Notes or Lease Purchases in the amount of Five Million Three Hundred Thousand Dollars (\$5,300,00) for the 2007 CIP 713107, Granite Street Reconstruction – Phase 3 Project.”

Mayor Guinta stated a motion would be in order to table item 10 as we do not have enough Aldermen to discuss the issue this evening.

Alderman Lopez moved to table Item 10. Alderman Duval duly seconded the motion. There being none opposed, the motion carried.

11. Ordinance:

“Amending the penalties for certain Code Sections listed in 38.06 Penalties and providing for a penalty for failure to pay within 7 days.”

On motion of Alderman Roy, duly seconded by Alderman Long, it was voted to dispense with the reading of the Ordinance by title only.

This Ordinance having had it's second reading by title only, Alderman Roy moved that the Ordinance pass and be Enrolled. Alderman Long duly seconded the motion. There being none opposed, the motion carried.

On motion of Alderman Pinard, duly seconded by Alderman Long, it was voted to recess the regular meeting to allow the Committee on Accounts, Enrollment and Revenue Administration to meet.

Mayor Guinta called the meeting back to order.

- 14.** A report of the Committee on Accounts, Enrollment and Revenue Administration was presented advising that Ordinance:
“Amending the penalties for certain Code Sections listed in 38.06 Penalties and providing for a penalty for failure to pay within 7 days.”
was properly enrolled.

Alderman Roy moved to accept, receive and adopt the report of the Committee. Alderman Pinard duly seconded the motion. There being none opposed, the motion carried.

TABLED ITEMS

- 15.** Report of the Committee on Bills on Second Reading recommending that Ordinance:
“Amending the Zoning Ordinance of the City of Manchester by extending the B-2 (General Business) zoning district to include property currently zoned IND (Industrial) located on the south side of Gold Street east of the former Lawrence Branch of the B&M Railroad and including the following three lots Tax Map 875-14, 875-15, 875-16.”
ought to pass.
(Aldermen Duval, Lopez, Garrity and Pinard recorded in favor; Alderman Gatsas opposed.)
(Tabled 09/05/2006)

This item remained tabled.

- 16.** Report of the Committee on Bills on Second Reading recommending that Ordinance:
“Amending the Zoning Ordinance of the City of Manchester by extending the R-3 (Urban Multi-family) zoning district to include property currently zoned R-1B (Single-family) located on a portion of Tax Map 691 Lot 143-1 that will be on the north side of a proposed Gold Street Bypass and adjacent to Bradley Street and the New St. Augustin's Cemetery.”
ought to pass.
(Aldermen Duval, Lopez, Garrity and Pinard recorded in favor; Alderman Gatsas opposed.)
(Tabled 09/05/2006)

This item remained tabled.

- 17.** Communication from Randy Sherman, Interim Finance Officer, requesting that approximately \$50,000.00 be set aside in Contingency due to the severance payout to the former Finance Officer.
(Tabled 11/28/06 pending filling of permanent Finance Officer position and review of other fund sources by Mayor.)

On motion of Alderman Lopez, duly seconded by Alderman Shea, it was voted to remove Item 17 from the table for discussion.

Alderman Lopez moved to receive and file at this time requesting that it be resubmitted at a later date. Alderman Duval duly seconded the motion. There being none opposed, the motion carried.

18. NEW BUSINESS

Alderman Lopez stated get confirmation if we want to issue a directive but I think it's important that some of the comments made at the public hearing tonight saying that department heads don't get back...some are complex issues but department heads should get back to the individuals making a complaint whether it be by e-mail, phone call, through the Alderman, whatever the case may be but any citizen that has a complaint against something in the City should be given an answer. They might not like the answer as well as we sometimes don't like the answer but at least they should be the given the opportunity or given a phone call or e-mail or an answer.

Mayor Guinta stated I would echo that sentiment. I understand that some people have expressed some frustration earlier this evening in the public session but one of our jobs as the Board of Mayor and Aldermen is to make sure that all departments respond timely and appropriately to our customers and constituents. So, if a constituent feels as though they're not being responded to please bring it to your Alderman or to my office's attention and we'll address it appropriately, I would absolutely agree.

There being no further business to come before the Board, on motion of Alderman Smith, duly seconded by Alderman Pinard, it was voted to adjourn.

A True Record. Attest.

City Clerk